

SCHEDULE A

**FINAL BUDGET AND SUPPORTING DOCUMENTATION BOJANALA PLATINUM
DISTRICT MUNICIPALITY**

2019/20 TO 2021/22

Adopted by Council on 30 May 2019

Resolution: B1775/18/19

**FINAL BUDGET OF
BOJANALA DISTRICT MUNICIPALITY**

DC37

**2019/20 TO 2021/22
MEDIUM TERM REVENUE AND EXPENDITURE FORECAST**

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1 Abbreviations and Acronyms

AMR	Automated Meter Reading	IDP	Integrated Development Plan
ASGISA	Accelerated and Shared Growth Initiative	IT	Information Technology
BPC	Budget Planning Committee	kℓ	kilolitre
CBD	Central Business District	km	kilometre
CFO	Chief Financial Officer	KPA	Key Performance Area
MM	Municipal Manager	KPI	Key Performance Indicator
CPI	Consumer Price Index	kWh	kilowatt
CRRF	Capital Replacement Reserve Fund	ℓ	litre
DBSA	Development Bank of South Africa	LED	Local Economic Development
DoRA	Division of Revenue Act	MEC	Member of the Executive Committee
DWA	Department of Water Affairs	MFMA	Municipal Financial Management Act
EE	Employment Equity		Programme
EEDSM	Energy Efficiency Demand Side Management	MIG	Municipal Infrastructure Grant
FBS	Free basic services	MPRA	Municipal Properties Rates Act
GAMAP	Generally Accepted Municipal Accounting Practice	MSA	Municipal Systems Act
GDP	Gross domestic product	MTEF	Medium-term Expenditure Framework
GFS	Government Financial Statistics	MTREF	Medium-term Revenue and Expenditure Framework
GRAP	General Recognised Accounting Practice	NERSA	National Electricity Regulator South Africa
HR	Human Resources	NGO	Non-Governmental organisations
HSRC	Human Science Research Council	NKPIs	National Key Performance Indicators

OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprise

Part 1 – Annual Budget

1.1 Foreword to the Budget 2019/20 the Executive Mayor, CLLR Fetsang Molosiwa

The Integrated Development Plan (IDP) we are presenting is the strategic blueprint for Bojanala Platinum District Municipality that communicates to the community of Bojanala Platinum service delivery priorities within its jurisdiction.

The drafting of the IDP requires a lengthy planning process, and involves a wide range of role players from inside and outside the municipality. The process therefore needs to be properly organized and prepared.

As a result, municipalities are required to prepare an Operational Plan (commonly known as a Process Plan) which indicate what needs to happen, by when, whom and where and includes the costs estimates for facilitating the process.

It is very important for municipalities to adhere to this plan in order to fulfil the legal requirements of Section 28 of the Local Government Municipal Systems Act of 2000. The processes to be followed in preparing our IDP's are as well guided by White Paper on Local Government promulgated in 1998.

The plan takes cognizance of the successes and challenges of the entire district and outlines projects designed to circumvent the identified service delivery challenges. It also gives an overall framework for development and focuses on economic and social development of the district as a whole.

The plan endeavoured to represent the development priorities contained in the election 2014 election manifesto of the ruling party as well as our constitutional mandate as the sphere of government closer to the people. It is however, of significance to take note that the plan acknowledges the fact that the district is predominantly rural in nature and requires area based service delivery methodologies to ensure equitable service delivery provisioning in both towns and rural nodes.

It gives me pleasure as the Executive Mayor to report to our stakeholders that the partnership between Bojanala Platinum District Municipality as the provider of services and communities as the end-users of those services has once again been successful in assisting the district to plan its responses to the developmental aspirations of its people for the 2019/20 financial year.

This IDP document is thus a direct result of yet another extensive consultative process. It is an expression of the general interest of our people and a mirror that reflects the holistic.

Although much still needs to be done to alleviate poverty and create an environment conducive to economic growth, we strive for the best in ensuring alignment of our IDP and Budget. We will continue to support Council in ensuring that its core functions are maintained.

Yours in the struggle to move South Africa, North West and Bojanala forward.

CLLR. FETSANG MOLOSIWA
EXECUTIVE MAYOR

Council Resolutions

On 30 May 2019 the Council of Bojanala District Municipality met in Council chamber to consider the final annual budget of the municipality for the financial year 2019/20. The Council approved and adopted the following resolutions: no. **B1775/18/19** The Bojanala Platinum District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

1. Cognisance be taken:

1.1 of Section 24 (1) of the MFMA which requires the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget;

1.2 the 2019/2020 Medium Term Revenue and Expenditure Framework (MTREF) in both the National Treasury template as well as in accordance with the MSCOA requirements;

1.3 That Council approves the 2019/2020 MTREF;

2. That the Council note the following; -

2.1 the budget be approved as per the A1 Schedule attached;

2.2 that the salaries of the employees be increased as per the approved South African local government bargaining council with effect 1 July 2019;

2.3 That salaries of senior managers be adjusted as per the remuneration of senior manager's gazette;

2.4 That following budget related policy be approved for implementation with effect 1 July 2019:

- 2.4.1 The budget policy,
- 2.4.2 Cost containment policy,
- 2.4.3 Unauthorized irregular fruitless and wasteful expenditure,
- 2.4.4 Supply chain management policy,
- 2.4.5 Virement policy,
- 2.4.6 Assets management policy,
- 2.4.7 Tariff policy and its schedule of tariffs,
- 2.4.8 Investment policy,
- 2.4.9 Financial Recovery Plan.

1.1 Executive Summary

The 2019/20 Reviewed IDP is a result of extensive consultation with the various role players as demonstrated by the developmental priorities that each municipality put forward. A situation analysis is made of where the municipalities are at present and where they want to be in future.

The Infra-structure and services delivery, socio-economic, spatial development and economic framework are respectively outlined. The way forward is subsequently concretized by a strategic long term vision and secondly, by the detail in which these strategic objectives will be achieved.

The district municipality derives the following mandate from Section 152 of the Constitution of South Africa, Act 108 of 1996,

- ☐ To promote democratic and accountable local government;
- ☐ To ensure the provision of services to communities in a sustainable manner/;
- ☐ To promote social and economic development;
- ☐ To promote a safe and healthy environment; and
- ☐ To encourage the involvement of communities and community organizations in the matters of local government

Vision

The IDP is guided by Municipal vision which states that “Bojanala Platinum District Municipality, a model of cooperative governance for effective and efficient service delivery in partnership with local municipalities and all stakeholders”.

Mission

In order to achieve the vision, the district municipality has to adhere to its Mission Statement and the elucidation of the strategic IDP Objectives through shared services, will coordinate, facilitate and support local municipalities by equitable sharing of resources and maximising community benefit of natural resources in a safe and healthy environment.

BPDM 2019/20 Reviewed Integrated Development Plan seeks to provide an over-arching strategic framework for the municipality for the next Financial Year.

It is also the basis on which the Fiscal appropriations of Council for the next financial year will be made.

This document details several areas that are important for any member of the public or interested party to have a fuller understanding what is planned over four quarters of a financial year. It will also be the basis upon which macro targets for service delivery in the district, taking into account the allocated powers and functions, will be shaped.

The IDP is developed in line with section 25 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), which requires each newly elected municipal council, to adopt a single, inclusive and strategic plan (Integrated Development Plan or IDP) for the development of the municipality which links, integrates and coordinates plans and takes into account proposals for the development of the municipality and which aligns the resources and capacity of the municipality with the implementation of the said plan. The newly elected council of Bojanala Platinum District Municipality developed this IDP as the principal strategic planning instrument to guide and inform all planning, budgeting, management and decision-making processes in line with the Local Government Systems Act.

The 4th Generation IDP which was approved by Council in May 2017, was developed in line with the IDP process plan which was approved by council in August 2016. The IDP process plan seek to identify and coordinate key stakeholders in the planning process in the district municipality and coordinate their contribution in the development of the IDP.

In the original 4th Generation IDP, when approved, the following key features as per section 26 of the Municipal Systems Act, 32 of 2000, were included:

- i. an assessment of the existing level of development
- ii. the council's development priorities and objectives
- iii. the council's development strategies
- iv. the spatial development framework – albeit, the review of the SDF in line with the Spatial Planning & Land Use Management Act (SPLUMA);
- v. the council's operational strategies;
- vi. the disaster management plan;
- vii. a financial plan, and
- viii. the key performance indicators and performance targets.

The IDP document will be reviewed at the end of each financial year after the assessment of the performance of the municipality and an analysis of the situation at community level.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2019/20 Medium-term Revenue and Expenditure Framework:

National Treasury circular 94 and 94 is a follow-up to circulars issued in 08 March 2019 regarding municipal budget and reporting. It guides municipalities with their preparation of the 2019/20 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars it should be read within this context.

Among the objectives of this Circular, is to support municipalities with giving effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR) within the current economic climate. The key focus of this Circular is the grant allocations per the 2019 Budget Review and the 2019 Division of Revenue Bill.

Total revenue is R376 774 million in 2018/2019 financial year and escalates to R396 019 million by 2019/2020 and 2020/2021 is R414 322 million this represents a year-on-year increase of 4%

Transfers recognised includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF for the two outer years. The equitable share remains to be the most important part of the municipality's revenue base as no services are rendered for which revenue can be collected.

Equitable share represents 59% of the Municipality's total revenue and the remaining 41% is made up of other conditional grants, interest and other revenue from Health and environmental services to be collected in respect of municipal by-laws

1.2 Operating Revenue Framework

For Bojanala Platinum District Municipality to continue improving the quality of services provided to its citizens and local municipalities it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in BPDM and continued economic development and
- Efficient revenue management,

Percentage growth in revenue by main revenue source

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table A1 BUDGET SUMMARY

DC37 Bojanala Platinum - Table A1 Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousands										
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	2 637	2 591	2 585	1 500	1 500	1 500	1 500	1 500	1 550	1 553
Transfers recognised - operational	306 593	317 474	322 950	328 124	327 374	327 374	327 374	344 219	357 461	373 166
Other own revenue	2 998	2 291	1 050	250	47 800	47 800	47 800	50 300	55 311	60 603
Total Revenue (excluding capital transfers and contributions)	312 229	322 355	326 585	329 874	376 674	376 674	376 674	396 019	414 322	435 322
Employee costs	143 398	153 275	167 274	177 598	179 498	179 498	179 498	191 929	203 961	217 983
Remuneration of councillors	13 721	14 568	13 055	17 672	17 672	17 672	17 672	18 662	19 707	20 889
Depreciation & asset impairment	4 697	9 174	3 762	15 000	7 000	7 000	7 000	7 392	7 791	23 212
Finance charges	784	1 202	778	100	–	–	–	1 584	1 673	33 374
Materials and bulk purchases	1 144	–	2 731	2 780	–	–	–	3 300	3 307	7 352
Transfers and grants	93 696	24 864	–	–	–	–	–	9 059	9 881	10 777
Other expenditure	58 079	130 854	134 595	89 285	157 540	157 540	157 540	137 349	144 273	121 065
Total Expenditure	315 519	333 938	322 194	302 436	361 710	361 710	361 710	369 275	390 593	434 651
Surplus/(Deficit)	(3 291)	(11 583)	4 391	27 438	14 964	14 964	14 964	26 744	23 729	671
Transfers and subsidies - capital (monetary allocation)	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(3 291)	(11 583)	4 391	27 438	14 964	14 964	14 964	26 744	23 729	671
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(3 291)	(11 583)	4 391	27 438	14 964	14 964	14 964	26 744	23 729	671
Capital expenditure & funds sources										
Capital expenditure	22 782	20 154	45 426	19 672	10 167	10 167	10 167	197 757	138 508	11 749
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	180 000	120 000	–
Internally generated funds	22 782	20 154	45 426	19 672	10 167	10 167	10 167	17 657	18 508	11 749
Total sources of capital funds	22 782	20 154	45 426	19 672	10 167	10 167	10 167	197 657	138 508	11 749
Financial position										
Total current assets	7 796	3 070	3 775	7 470	7 470	307 470	307 470	157 685	50 338	53 368
Total non current assets	47 492	38 005	46 935	71 974	71 974	71 974	71 974	50 073	60 790	349 327
Total current liabilities	52 923	55 867	54 571	2 900	2 900	15 900	15 900	15 000	2 000	7 792
Total non current liabilities	29 694	10 546	12 288	7 400	7 400	7 400	307 400	312 712	314 852	311 180
Community wealth/Equity	(27 328)	(25 338)	(16 148)	69 144	69 144	356 144	56 144	(119 954)	(205 724)	83 723
Cash flows										
Net cash from (used) operating	20 857	(28 495)	10 105	34 948	19 301	19 301	19 301	34 135	31 519	24 436
Net cash from (used) investing	(18 439)	13 135	(12 596)	(19 672)	(10 422)	(10 422)	(10 422)	(197 957)	(138 508)	(11 749)
Net cash from (used) financing	–	4 066	4 066	–	–	–	–	180 000	120 000	–
Cash/cash equivalents at the year end	2 582	764	2 340	17 615	11 218	11 218	11 218	18 518	31 528	44 215
Cash backing/surplus reconciliation										
Cash and investments available	2 582	764	2 340	7 020	7 020	307 020	307 020	157 685	50 338	53 368
Application of cash and investments	37 339	51 916	50 212	(250)	1 996	14 996	14 996	15 000	2 000	2 000
Balance - surplus (shortfall)	(34 758)	(51 152)	(47 872)	7 270	5 024	292 024	292 024	142 685	48 338	51 368
Asset management										
Asset register summary (WDV)	44 626	42 819	45 426	19 672	10 166	10 166	10 166	59 767	78 274	390 024
Depreciation	4 341	13 157	6 235	15 000	7 000	7 000	7 000	7 392	7 791	8 211
Renewal and Upgrading of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	1 144	1 464	–	2 930	–	–	–	–	–	–
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

The table A1 provides the main budget summary of the municipality in line with the budget framework

Table 2 main revenue source

DC37 Bojanala Platinum - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		312 228	325 654	326 585	328 874	376 574	376 574	345 819	359 011	374 719
Executive and council		1 079	—	—	—	—	—	—	—	—
Finance and administration		311 149	325 654	326 585	328 874	376 574	376 574	345 819	359 011	374 719
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		—	—	—	1 000	100	100	50 200	55 210	60 603
Community and social services		—	—	—	1 000	100	100	50 200	55 210	60 603
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		—	—	—	—	—	—	—	—	—
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		—	—	—	—	—	—	—	—	—
Energy sources		—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		—	—	—	—	—	—	—	—	—
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	312 228	325 654	326 585	329 874	376 674	376 674	396 019	414 221	435 322
Expenditure - Functional										
<i>Governance and administration</i>		315 519	337 237	322 194	160 445	192 021	192 021	207 342	213 831	242 940
Executive and council		—	—	—	64 261	80 264	80 264	112 480	120 313	122 675
Finance and administration		315 519	337 237	322 194	96 184	111 757	111 758	94 862	93 518	120 265
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		—	—	—	130 088	142 309	142 308	116 467	131 332	158 152
Community and social services		—	—	—	29 004	32 105	32 105	9 645	10 273	10 885
Sport and recreation		—	—	—	1 433	1 564	1 564	—	—	—
Public safety		—	—	—	62 494	70 329	70 329	66 057	77 687	101 196
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	37 157	38 310	38 310	40 765	43 372	46 071
<i>Economic and environmental services</i>		—	—	—	21 471	21 690	21 690	45 467	45 431	33 559
Planning and development		—	—	—	21 271	21 490	21 490	45 467	45 431	33 559
Road transport		—	—	—	200	200	200	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		—	—	—	10 152	15 857	15 857	—	—	—
Energy sources		—	—	—	—	—	—	—	—	—
Water management		—	—	—	1 797	7 202	7 202	—	—	—
Waste water management		—	—	—	8 055	8 355	8 355	—	—	—
Waste management		—	—	—	300	300	300	—	—	—
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	315 519	337 237	322 194	322 157	371 877	371 877	369 276	390 594	434 651
Surplus/(Deficit) for the year		(3 291)	(11 583)	4 391	7 717	4 797	4 797	26 743	23 627	671

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit. Operating Grants form a significant percentage of the revenue basket for the District.

Total operating revenue has increased R19 345 000 million for the 2019/2020 financial year when compared to the 2018/2019 Adjustments Budget. For the two outer years, operational revenue will increase by 4 and 4.33 per cent respectively.

Total revenue is R376 019 million in 2019/2020 financial year and increasing to R414 322 million in 2020/2021 and 2021/2022 is R435 322 million. Compared to the 2018/2019 financial year, budget

drastically increased due to funding to be received in respect new municipal building. The revenue however, decreases by 4% and 4.35% respectively in the two outer years

Transfers recognised includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF for the two outer years. The equitable share remains to be most the important part of the municipality's revenue base as no services are rendered for which revenue can be collected.

Equitable share represents 59% of the Municipality's total revenue and the remaining 41% is made up of other conditional grants, interest on investment as well as revenue collected in respect of municipal by-laws as well financing for a new building The Municipality revisited its powers and functions to expand its revenue base.

Table 3 Operating Transfers and Grant Receipts

DC37 Bojanala Platinum - Table A1 Budget Summary

Description	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	2 637	2 591	2 585	1 500	1 500	1 500	1 500	1 500	1 550	1 553
Transfers recognised - operational	306 593	317 474	322 950	328 124	327 374	327 374	327 374	344 219	357 461	373 166
Other own revenue	2 998	2 291	1 050	250	47 800	47 800	47 800	50 300	55 311	60 603
Total Revenue (excluding capital transfers and contributions)	312 229	322 355	326 585	329 874	376 674	376 674	376 674	396 019	414 322	435 322

Transfer recognise includes local government equitable share and other operating grants from national and provincial government. it needs to be noted that in real terms that grants receipts from national government are growing rapidly over the MTREF for the two outers years, the equitable share remains to be most important part of the municipality `s revenue base as no services are rendered for which revenue can be collected,

Equitable share represents 87% of the municipality`s revenue and remaining 13% is made up by other conditional grants, interest on investment as well as revenue collect in respect of municipality by by laws. The municipality revisited the its powers and functions to expand its revenue base.

Total operating revenue has increased R19 345 000 million for the 2019/2020 financial year when compared to the 2018/2019 Adjustments Budget. For the two outer years, operational revenue will increase by 4 and 4.33 per cent respectively.

Transfers recognised includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF for the two outer years. The equitable share remains to be most the important part of the municipality's revenue base as no services are rendered for which revenue can be collected.

The municipality has made provision of R50 Million for the revenue on Municipal health and environmental services based on the following assumptions

The District main role is to ensure compliance on environmental services, pollution as well as the licencing and issue penalties to the transgressors of the national air pollution framework. The has since embarked on the revenue enhancement campaign where it appointed a service provider on risk basis to ensure maximisation of revenue.

1.4 Operating Expenditure Framework

The District's expenditure framework for the 2019/20 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The contribution to local municipalities is aligned to the asset, IDP and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the contribution to local; Municipalities and other core services; and
- Project lists submitted by local municipalities.

IDP SUBMISSION FROM LOCALS

The 2019/20 IDP process plan was tabled and approved in Council in 2018. During phase 1 and phase 2 of the process plan, analysis to determine priority needs were done, IDP Rep forum where all stakeholders were invited was held in December 2018. At the IDP Rep forum all local municipalities forward their priority needs.

Phase 3 of the process plan involved the development and funding of projects. This gave the overall picture of development within the district municipality.

On the 14th May 2019 the last IDP Rep Forum was held whereby the purpose was to consolidate all the municipal priorities within the District and prioritised them to enable the district municipality to develop the integrated development plan for the 2019/20 financial year.

The following table is a high level summary of the 2019/20 budget and MTREF (classified per main type of operating expenditure):

Table 4 Summary of operating expenditure by standard classification

DC37 Bojanala Platinum - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Expenditure By Type											
Employee related costs	2	143 398	153 275	167 274	177 598	179 498	179 498	179 498	191 929	203 961	217 983
Remuneration of councillors		13 721	14 568	13 055	17 672	17 672	17 672	17 672	18 662	19 707	20 889
Debt impairment	3	434	—	—	—	—	—	—	—	—	—
Depreciation & asset impairment	2	4 697	9 174	3 762	15 000	7 000	7 000	7 000	7 392	7 791	23 212
Finance charges		784	1 202	778	100	—	—	—	1 584	1 673	33 374
Bulk purchases	2	—	—	—	—	—	—	—	—	—	—
Other materials	8	1 144	—	2 731	2 780	—	—	—	3 300	3 307	7 352
Contracted services		4 422	66 099	66 655	19 300	91 367	91 367	91 367	96 100	99 367	73 563
Transfers and subsidies		93 696	24 864	—	—	—	—	—	9 059	9 881	10 777
Other expenditure	4, 5	53 223	61 395	65 662	69 985	66 173	66 173	66 173	41 249	44 906	47 502
Loss on disposal of PPE		—	3 360	2 278	—	—	—	—	—	—	—
Total Expenditure		315 519	333 938	322 194	302 436	361 710	361 710	361 710	369 275	390 593	434 651

The South African Local Government Bargaining Council for the 2019/2020 and 2020/2021, the proposal indicates that the increment will be CPI plus 1.5 and 1,25% respectively.

The Municipality adjusted the salary budget according to the facilitators proposal and the circular 94 of the MFMA. Furthermore, the collective agreement on conditions of service for the North West Division of SALGBC also contributes to the increase in salaries, particularly on the 7 days' workers who receive several allowances according to the agreement. Some of these allowances increase at the same percentage as that of salaries.

Salaries amounts to R191 929 million and Councillor allowances increased from R17 672 million to R18 662 million, and constitutes 61% of the total expenditure, 26% more than the 35% norm of the salary bill.

Salaries

Circular 93 and 94 guides salary budget to be appropriated in accordance with the salary and wage collective agreement for the period 01 July 2018 to 30 June 2021 dated 15 August 2018 through the South African Local Bargaining Council (SALGBC) Circular No 6 of 2018. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once a year manual salary disbursement in order to root out ghost employees. The SALGBC bargained for 7% in the 2019/2020. Salaries amounts to R191 929 183

Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Gazette No 20 of 1998 on the Remuneration of Public Office Bearers Act, Determination of Upper limits of Salaries, Allowance and Benefits of different members of Municipal Councils published annually between December and January by the Department of Cooperative Governance. Councillor allowances increased from R17 672 171 to R18 661 812, both councillors and employee constitute 61% of total operating expenditure more than the norm of salary bill.

Operational costs

Operational costs decreased from R49 283 498 to R41 249 580. The operational services mainly are for the day to day activities of the municipality

Contracted services

Contracted services increased with inflation rate, from R91 266 722 to R96 100 161. the increase is within the margins of circular 93 and 94. Contracted service has inclusive of repairs and maintenance of R12 408 657 for the 2019/20 and increase by one 1% for the 2020/21 and decrease by 4%.

Figure 1 Main operational expenditure categories for the 2019/20 financial year

1.2.1 Priority given to repairs and maintenance

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance: repairs and Maintenance of the municipality is mainly on vehicle maintenance and building.

TABLE 6 Capital expenditure:

Bojanala District Municipality

2019/20 Final Budget and MTREF

DC37 Bojanala Platinum - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Water Management		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	180 000	120 000	-
Vote 3 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 6 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 7 - Health		-	-	-	-	-	-	-	-	-	-
Vote 8 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 10 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 11 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 12 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 13 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	180 000	120 000	-
Single-year expenditure to be appropriated	2										
Vote 1 - Water Management		-	-	-	5 105	5 105	5 105	5 105	5 855	5 381	5 672
Vote 2 - Finance and Administration		-	1 123	-	2 085	2 006	2 006	2 006	10 522	12 395	4 753
Vote 3 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	80	126	126	126	82	85	89
Vote 5 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 6 - Waste Water Management		-	-	-	2 000	2 000	2 000	2 000	-	-	-
Vote 7 - Health		-	-	-	211	211	211	211	222	235	-
Vote 8 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	9 599	126	126	126	133	-	149
Vote 10 - Sport and Recreation		-	-	-	150	150	150	150	155	-	-
Vote 11 - Executive and Council		22 782	19 031	45 426	158	158	158	158	-	166	175
Vote 12 - Public Safety		-	-	-	284	284	284	284	687	246	911
Vote 13 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		22 782	20 154	45 426	19 672	10 167	10 167	10 167	17 657	18 508	11 749
Total Capital Expenditure - Vote		22 782	20 154	45 426	19 672	10 167	10 167	10 167	197 657	138 508	11 749
Capital Expenditure - Functional											
Governance and administration		22 782	20 154	45 426	2 385	1 814	1 814	1 814	8 011	8 621	8 982
Executive and council		22 782	19 031	45 426	479	158	158	158	497	166	175
Finance and administration		-	1 123	-	1 906	1 656	1 656	1 656	7 514	8 454	8 806
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	653	695	695	695	2 485	565	1 000
Community and social services		-	-	-	158	200	200	200	167	85	89
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	284	284	284	284	2 296	246	911
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	211	211	211	211	22	235	-
Economic and environmental services		-	-	-	9 508	552	552	552	133	-	149
Planning and development		-	-	-	126	126	126	126	133	-	149
Road transport		-	-	-	4 700	426	426	426	-	-	-
Environmental protection		-	-	-	4 682	-	-	-	-	-	-
Trading services		-	-	-	7 126	7 105	7 105	7 105	7 126	9 321	1 619
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	5 126	5 105	5 105	5 105	5 126	5 381	365
Waste water management		-	-	-	2 000	2 000	2 000	2 000	2 000	3 940	1 254
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	180 000	120 000	-
Total Capital Expenditure - Functional	3	22 782	20 154	45 426	19 672	10 167	10 167	10 167	197 757	138 508	11 749
Funded by:											
National Government		-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	180 000	120 000	-
Internally generated funds		22 782	20 154	45 426	19 672	10 167	10 167	10 167	17 657	18 508	11 749
Total Capital Funding	7	22 782	20 154	45 426	19 672	10 167	10 167	10 167	197 657	138 508	11 749

Capital Expenditure

The increased from R10 166 665 to R 197 956 646. The municipality has no infrastructure assets. Except to service delivery project to be done on behalf of municipality has been included in capital expenditure. The capital budget R187 789 981 higher when compared to the 2019/20 adjustment budget. For the 2019/20 the municipality has budget of R180 000 000 million for the building of municipal offices, other capital consist of nature, computers and vehicles. There is none infrastructure

Table 6 Breakdown of the main expenditure categories per Local Municipality

Objectives	Projects	Allocation (R'000)		
		2019/20	2020/21	2021/2022
Provide Municipal Public Transport Planning	Transport Programme	250	264	278
	Rural Asset Management Grant	2 364	2 496	2 631
	Community Safety Programme	250	264	278
Provide Fire Fighting Service	Capacity Building x 3 fire stations	448	472	497
	Provision of uniform & PPE x 3 Fire stations	1 607	1 169	1 229
	Support to FPAs x 3 fire stations	650	159	168
	Radio Communications	309	327	345
	Replacement of equipment	866	912	962
	BA Cylinder tests	316	333	351
	Boreholes	80	84	89
	Vehicle skid unit	1 266	1 335	1 407
	Fire fighters development & training	202	212	213

Objectives	Projects	Allocation (R'000)		
		2019/20	2020/21	2021/2022
Provide Disaster Risk Management Services	Risk Assessment	100	115	122
	Capacity Building	500	527	555
	Disaster Interventions	1 500	1 581	1 666
	Education & Awareness	230	242	255
	Radio Licences	800	843	888
	Geographic Information Systems	120	126	133

Objectives	Projects	Allocation (R'000)		
		2019/20	2020/21	2021/2022
Facilitate the provision of basic municipal services.	Water Related Projects	5 000	5 270	5 554
	Sanitation Programme	2 000	2 108	2 221
	Community facilities	500	528	556
Facilitate the maintenance of roads	Roads Programme	5 200	5 491	5 787
Provide Municipal Health Services	Indigents burials	400	422	445
	Burial of Paupers	300	316	333
	Food & Water samples testing	416	440	463
	Municipal Health Programmes	330	348	367

Objectives	Projects	Allocation (R'000)		
		2019/20	2020/21	2021/2022
Facilitate the provision of Solid Waste Management Services	Waste Management Programmes	421	444	468
	Waste Resources recovery	363	383	404
Promote the protection of the environment	Roll out of Air quality management programme	412	435	459
	Environmental Education & Awareness	681	720	759
	Environmental rehabilitation	519	548	578
	Climate Change	316	334	352
	Biodiversity	333	352	371
Promote Sport, Arts & Culture	Support sport	735	776	818
	Provision of basic sport equipment	295	311	328
	Arts & Culture support	211	223	235

1.2.2 Municipal Financial Viability and Management Strategies

Objectives	Projects	Allocation (R'000)		
		2019/20	2020/21	2021/2022
• Promote sound financial governance	mSCOA Projects	884	892	942
	Management of FMG	1 056	1 115	1 177
	Maintenance of Financial Systems	528	557	587
	Audit Fees	4 012	4 237	4 474
	Payment for security services	6 547	6 900	7 273
	Data Cleansing	2 640	2 787	2 938

1.2.3 Local Economic Development Strategies

Objectives	Projects	Allocation (R'000)		
		2019/20	2020/21	2021/2022
Promote agriculture	Support Agri-Park programmes	2 001	2 113	2 227
	Support Agricultural and Rural Development Programmes	1 136	1 198	1 263
Promote Enterprise Development	Enterprise support	2 857	3 017	3 180
	LED Strategy	116	178	190
	LED Summit	211	225	241
	LED Training	166	178	190
Support Tourism and Marketing development	Tourism support	117	125	134
	District Marketing	550	588	629
Support Job Creation initiatives	EPWP (social development)	1 645	1 734	1 827

1.2.4 Municipal Transformation & Organisational Design

Objectives	Projects	Allocation (R'000)		
		2019/20	2020/21	2021/2022
Promote Skills Development	Mayoral Bursary Scheme	1 000	1 056	1 113
	BPDM Training	350	368	388
	Employee Bursaries	700	737	777
	Internship programme	2 033	2 142	2 258
Recruit and Retain Staff	HR Implementation	200	210	222
Provide Support to Administration	Institutional support	9 805	10 335	10 893
	Professional Fees	597	629	663
	Legal Fees	2 948	3 107	3 275
	Automated Leave System	100	105	111
	Automated Agenda System	100	105	111
Achieve Positive Employee Climate	Occupational Health	200	210	222
	Employee wellness programme	500	527	555
Develop and strengthen a politically and administratively stable system of a municipality	Erection of a Municipal Building	180 000	120 000	0

Objectives	Projects	Allocation (R'000)		
		2019/20	2020/21	2021/2022
Provide Filing and archiving services	Records & storage Maintenance	100	105	111
Strengthen Integrated development Planning	IDP Review	5 617	5 921	5 241
	SDF review/update	487	509	536
	District Investment Incentives	317	334	352
Promote technology efficiency	Maintenance of the municipal website	105	111	117
	Computer license maintenance	810	854	900
	Replacement of computer hardware	55	58	61
	Repair of computers & servers	55	58	61
	Office machine rental	7 150	7 865	8 651
Improve Performance Management	Mid Term Performance Review	236	249	262
Provide Occupational Health and Safety	Office & Parking rental	7 150	7 865	8 651
	Security Payments	6 547	6 900	7 273
Provide fleet management service	Acquisition of municipal vehicles	7 000	7 378	7 776

1.2.5 Good Governance and Public Participation strategies

Objectives	Projects	Allocation (R'000)		
		2019/20	2020/21	2021/2022
Promote governance good	NGO/NPO support	158	167	176
	Food parcels	493	519	547
	Anti-Corruption programmes	600	632	666
	Capacity Building	1 350	1 455	1 533
	Ward Committee Programmes	1 000	1 054	1 110
	Development & Printing of annual report	442	445	469
	Training of Single Whips	4 297	4 528	4 773
	Meetings	506	533	562
Promote stakeholder participation	Public Participation Programmes	3 098	3 266	3 442
	District Imbizo	800	844	990
	Outreach Programme	1 100	1 160	1 222
	Communication	660	696	733
	Advocacy Programmes	750	792	834
Facilitate and Support Municipal Committees	IGR	700	738	778

Objectives	Projects	Allocation (R'000)		
		2019/20	2020/21	2021/2022
Achieve clean audit	MPAC Programmes	633	975	1 028
	Risk Assessment	52	55	58
	Audit Committee	541	571	601

Objectives	Strategies	Projects	Allocation (R'000)		
			2019/20	2020/21	2021/2022
Provide Municipal Public Transport Planning	- Solicit funds to support the Integrated Transport Network (IPTN) - District Integrated Transport Plan reviewed	Transport Programme	200	206	212
		Rural Asset Management Grant	2 364	2 504	2 649
		Community Safety Programme	200	206	212
Provide Fire Fighting Service	- Familiarise council with status quo of fire service - Ensure Kgetleng Fire Station is operational - Provide guidance on future of service - Take service closer to communities	Capacity Building x 3 fire stations	259	365	273
		Provision of uniform & PPE x 3 Fire stations	1 052	1 082	1 125
		Support to FPAs x 3 fire stations	146	150	156
		Radio Communications	357	374	385
		Replacement of equipment	230	238	245
		Public Information & Education Relations x 3 fire stations	100	103	106
Provide Disaster Risk Management Services	- Ensure district is disaster ready - Secure disaster equipment - Support Local municipalities - Build capacity	Risk Assessment	52	54	55
		Capacity Building			
		Disaster Interventions	2 000	2 060	2 121
		Education & Awareness	231	238	245
		Radio Communications	155	159	164
		Geographic Information Systems	100	103	106

Table A7 - Budget Summary

DC37 Bojanala Platinum - Table A7 Budgeted Cash Flows

2007-2018 Annual Financial Statements - Table A1: Budgeted Cash Flows											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-	-
Other revenue		2 637			1 250	400	400	400	50 300	55 311	60 603
Government - operating	1	306 593	317 905	312 626	324 760	325 010	325 010	325 010	344 219	357 461	373 166
Government - capital	1	-	-	-	2 364	49 764	49 764	49 764	-	-	-
Interest		-	2 591	2 585	1 500	1 500	1 500	1 500	1 500	1 550	1 553
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(288 373)	(348 991)	(305 105)	(292 971)	(353 216)	(353 216)	(353 216)	(360 300)	(381 130)	(403 534)
Finance charges		-	-	-	-	(2 350)	(2 350)	(2 350)	(1 584)	(1 673)	(7 352)
Transfers and Grants	1	-	-	-	(1 955)	(1 808)	(1 808)	(1 808)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		20 857	(28 495)	10 105	34 948	19 301	19 301	19 301	34 135	31 519	24 436
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		4 343			-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(22 782)	13 135	(12 596)	(19 672)	(10 422)	(10 422)	(10 422)	(197 957)	(138 508)	(11 749)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(18 439)	13 135	(12 596)	(19 672)	(10 422)	(10 422)	(10 422)	(197 957)	(138 508)	(11 749)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	4 066	4 066	-	-	-	-	180 000	120 000	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	4 066	4 066	-	-	-	-	180 000	120 000	-
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	2 418	(11 293)	1 575	15 276	8 879	8 879	8 879	16 178	13 011	12 687
Cash/cash equivalents at the year end:	2	164	12 058	764	2 340	2 340	2 340	2 340	2 340	18 518	31 528
Cash/cash equivalents at the year end:	2	2 582	764	2 340	17 615	11 218	11 218	11 218	18 518	31 528	44 215

- Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - Capital expenditure is balanced by capital funding sources, of which
 - Transfers recognised is reflected on the Financial Performance Budget;
 - Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved once the municipality can have the revenue enhancement strategy,
5. **Explanatory notes to MBRR Table A8 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

The table below shows the municipality capital budget will be cashback as per full year forecast. The indication is also confirmed by the programs that have been put in place to ensure financial sustainability of the municipality

DC37 Bojanala Platinum - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Cash and investments available											
Cash/cash equivalents at the year end	1	2 582	764	2 340	17 615	11 218	11 218	11 218	18 518	31 528	44 215
Other current investments > 90 days		-	-	-	(10 595)	(4 198)	295 802	295 802	139 167	18 810	9 153
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		2 582	764	2 340	7 020	7 020	307 020	307 020	157 685	50 338	53 368
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	37 339	51 916	50 212	(250)	1 996	14 996	14 996	15 000	2 000	2 000
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		37 339	51 916	50 212	(250)	1 996	14 996	14 996	15 000	2 000	2 000
Surplus(shortfall)		(34 758)	(51 152)	(47 872)	7 270	5 024	292 024	292 024	142 685	48 338	51 368

Explanatory notes to MBRR Table A9 - Budgeted Financial Performance (revenue and Expenditure by standard classification)

The table below shows that the major revenue comes from the grants, ie equitable share followed by the revenue from Health and environmental services

The Municipality

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										

CAPITAL EXPENDITURE										
Total New Assets	1	22 782	20 154	45 426	19 672	10 167	10 167	17 656	18 507	11 749
Roads Infrastructure		-	-	-	5 000	5 000	5 000	-	-	-
Storm water Infrastructure		-	-	-	2 000	2 000	2 000	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	7 000	-	-	5 150	5 305	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	14 000	7 000	7 000	5 150	5 305	-
Community Facilities		-	-	-	2 000	501	501	2 060	2 122	-
Sport and Recreation Facilities		-	-	-	550	550	550	155	159	-
Community Assets		-	-	-	2 550	1 051	1 051	2 215	2 281	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		12 319	15 790	10 038	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		12 319	15 790	10 038	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	1 123	-	-	-	-	-	-	-
Intangible Assets		-	1 123	-	-	-	-	-	-	-
Computer Equipment		-	-	-	570	250	250	2 528	2 879	3 288
Furniture and Office Equipment		3 736	2 223	5 606	703	199	199	678	581	594
Machinery and Equipment		-	1 017	606	550	367	367	86	84	91
Transport Assets		6 727	-	8 080	1 300	1 300	1 300	7 000	7 378	7 776
Land		-	-	21 096	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

Bojanala District Municipality 2019/20 Final Budget and MTREF

DC37 Bojanala Platinum - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		312 228	325 654	326 585	328 874	376 574	376 574	345 819	359 011	374 719
Executive and council		1 079	-	-	-	-	-	-	-	-
Finance and administration		311 149	325 654	326 585	328 874	376 574	376 574	345 819	359 011	374 719
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	1 000	100	100	50 200	55 210	60 603
Community and social services		-	-	-	1 000	100	100	50 200	55 210	60 603
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	312 228	325 654	326 585	329 874	376 674	376 674	396 019	414 221	435 322
Expenditure - Functional										
<i>Governance and administration</i>		315 519	337 237	322 194	160 445	192 021	192 021	207 342	213 831	242 940
Executive and council		-	-	-	64 261	80 264	80 264	112 480	120 313	122 675
Finance and administration		315 519	337 237	322 194	96 184	111 757	111 758	94 862	93 518	120 265
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	130 088	142 309	142 308	116 467	131 332	158 152
Community and social services		-	-	-	29 004	32 105	32 105	9 645	10 273	10 885
Sport and recreation		-	-	-	1 433	1 564	1 564	-	-	-
Public safety		-	-	-	62 494	70 329	70 329	66 057	77 687	101 196
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	37 157	38 310	38 310	40 765	43 372	46 071
<i>Economic and environmental services</i>		-	-	-	21 471	21 690	21 690	45 467	45 431	33 559
Planning and development		-	-	-	21 271	21 490	21 490	45 467	45 431	33 559
Road transport		-	-	-	200	200	200	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	10 152	15 857	15 857	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	1 797	7 202	7 202	-	-	-
Waste water management		-	-	-	8 055	8 355	8 355	-	-	-
Waste management		-	-	-	300	300	300	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	315 519	337 237	322 194	322 157	371 877	371 877	369 276	390 594	434 651
Surplus/(Deficit) for the year		(3 291)	(11 583)	4 391	7 717	4 797	4 797	26 743	23 627	671

Explanatory notes to MBRR Table A10 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

DC37 Bojanala Platinum - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand										
Revenue by Vote	1									
Vote 1 - Water Management		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		312 228	325 654	326 585	328 874	376 574	376 574	345 819	359 011	374 719
Vote 3 - Finance and Administration		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	1 000	100	100	50 200	55 210	60 603
Vote 5 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 6 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 7 - Health		-	-	-	-	-	-	-	-	-
Vote 8 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 10 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 11 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 12 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 13 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	312 228	325 654	326 585	329 874	376 674	376 674	396 019	414 221	435 322
Expenditure by Vote to be appropriated	1									
Vote 1 - Water Management		-	-	-	1 797	7 202	7 202	992	6 551	6 478
Vote 2 - Finance and Administration		315 519	337 237	322 194	95 284	110 857	110 857	124 497	99 032	133 247
Vote 3 - Finance and Administration		-	-	-	900	900	900	445	-	1 099
Vote 4 - Community and Social Services		-	-	-	29 004	32 105	32 105	21 947	22 138	16 500
Vote 5 - Waste Management		-	-	-	300	300	300	5 734	318	-
Vote 6 - Waste Water Management		-	-	-	8 255	8 555	8 555	8 055	8 883	9 222
Vote 7 - Health		-	-	-	37 157	38 310	38 310	23 379	67 506	57 937
Vote 8 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	21 271	21 490	21 490	12 628	21 875	20 733
Vote 10 - Sport and Recreation		-	-	-	1 433	1 564	1 564	1 566	2 448	-
Vote 11 - Executive and Council		-	-	-	64 261	80 264	80 264	93 418	82 857	88 239
Vote 12 - Public Safety		-	-	-	62 494	70 329	70 329	76 614	78 986	101 196
Vote 13 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	315 519	337 237	322 194	322 157	371 877	371 877	369 276	390 594	434 651
Surplus/(Deficit) for the year	2	(3 291)	(11 583)	4 391	7 717	4 797	4 797	26 743	23 627	671

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the District. This means it is possible to present the operating surplus or deficit of a vote.

DC37 Bojanala Platinum - Table A4 Budgeted Financial Performance (revenue and expenditure)

2007-2018 Budgetary Framework - Table A: Budgeted Financial Performance (Revenue and Expenditure)											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand	1										
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	-
Interest earned - external investments		2 637	2 591	2 585	1 500	1 500	1 500	1 500	1 500	1 550	1 553
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	100	100	100	50 200	55 210	60 500
Licences and permits		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		306 593	317 474	322 950	328 124	327 374	327 374	327 374	344 219	357 461	373 166
Other revenue	2	1 919	2 291	1 050	250	47 700	47 700	47 700	100	101	103
Gains on disposal of PPE		1 079	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		312 229	322 355	326 585	329 874	376 674	376 674	376 674	396 019	414 322	435 322
Expenditure By Type											
Employee related costs	2	143 398	153 275	167 274	177 598	179 498	179 498	179 498	191 929	203 961	217 983
Remuneration of councillors		13 721	14 568	13 055	17 672	17 672	17 672	17 672	18 662	19 707	20 889
Debt impairment	3	434	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	2	4 697	9 174	3 762	15 000	7 000	7 000	7 000	7 392	7 791	23 212
Finance charges		784	1 202	778	100	-	-	-	1 584	1 673	33 374
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	1 144	-	2 731	2 780	-	-	-	3 300	3 307	7 352
Contracted services		4 422	66 099	66 655	19 300	91 367	91 367	91 367	96 100	99 367	73 563
Transfers and subsidies		93 696	24 864	-	-	-	-	-	9 059	9 881	10 777
Other expenditure	4, 5	53 223	61 395	65 662	69 985	66 173	66 173	66 173	41 249	44 906	47 502
Loss on disposal of PPE		-	3 360	2 278	-	-	-	-	-	-	-
Total Expenditure		315 519	333 938	322 194	302 436	361 710	361 710	361 710	369 275	390 593	434 651
Surplus/(Deficit)		(3 291)	(11 583)	4 391	27 438	14 964	14 964	14 964	26 744	23 729	671
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(3 291)	(11 583)	4 391	27 438	14 964	14 964	14 964	26 744	23 729	671
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(3 291)	(11 583)	4 391	27 438	14 964	14 964	14 964	26 744	23 729	671
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(3 291)	(11 583)	4 391	27 438	14 964	14 964	14 964	26 744	23 729	671
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(3 291)	(11 583)	4 391	27 438	14 964	14 964	14 964	26 744	23 729	671

Explanatory notes to Table A10 - Budgeted Financial Performance (revenue and Expenditure)

Total operating revenue has increased by 1% per cent or R1.2 million for the 2019/20 financial year when compared to the 2018/19 Adjustments Budget. For the two outer years, operational revenue will increase by 1.9 respectively, equating to a total revenue growth of R1 million over the MTREF when compared to the 2018/19 financial year.

Total operating expenditure for the 2019/20 financial year has been appropriated at R356 455 million and translates into a budgeted surplus of R21 million when compared to the 2018/19 Adjustments Budget, operational expenditure has increased by 7 per cent in the 2019/20, The operating cash surplus for the 2019/20 decrease by R5 million and the two outer years steadily increases to R32 million for the 2020/21 and R36 million for the 2021/22 which is 1.1%,

Capital

The increased from R10 166 665 to R 197 956 646. The municipality has no infrastructure assets. Except to service delivery project to be done on behalf of municipality has been included in capital expenditure. The capital budget R187 789 981 higher when compared to the 2019/20 adjustment budget. For the 2019/20 the municipality has budget of R180 000 000 million for the building of municipal offices, other capital consist of nature, computers and vehicles. There is none infrastructure

4. The following graph illustrates the major expenditure items per type

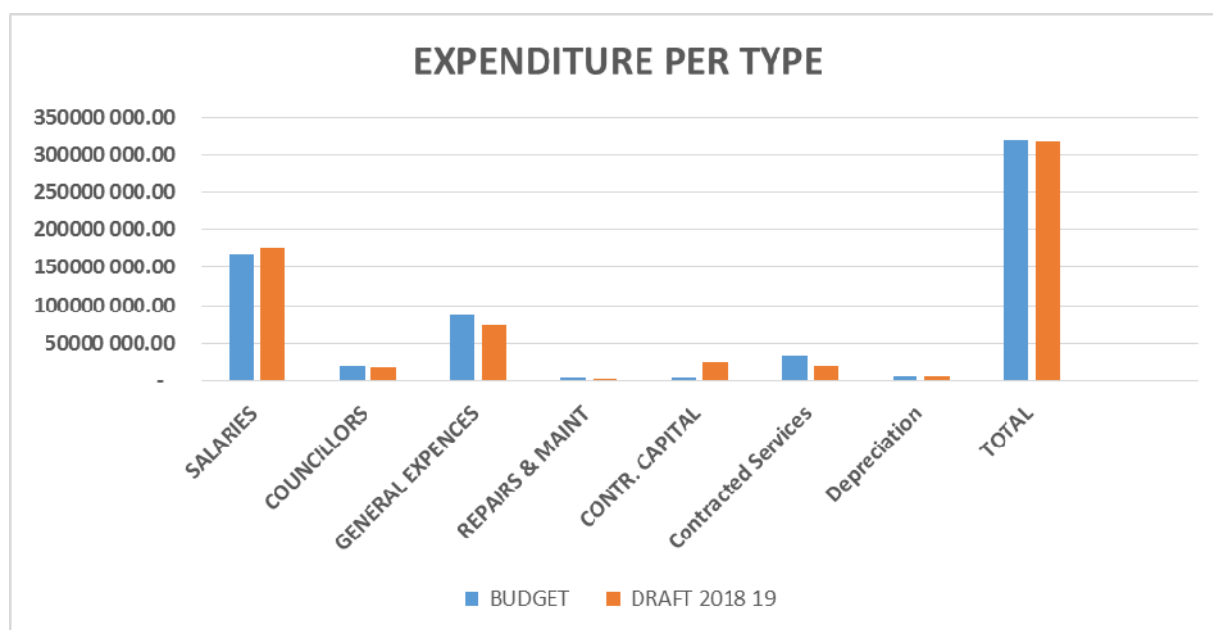


Figure 2 Expenditure by major type

EXPENDITURE	ORIGINAL BBUDGET	BUDGET	2019/20	2020/21	2021/22
	R	R	R	R	R
SALARIES	177,597,990	179,497,990	191,929,183	203,961,369	217,982,281
COUNCILLORS	17,672,171	17,672,171	18,661,813	19,706,874	20,889,287
Operational Costs	39,633,063	49,283,488	41,249,581	44,906,493	47,502,385
Lease & Transfer	13,054,972	12,400,000	9,059,218	9,881,135	10,776,506
Finance Cost	-	1,500,000	1,584,000	1,672,704	7,352,210
Inventory Consumed	3,273,835	2,989,860	3,300,482	3,306,826	7,352,210
Contracted Services	46,634,507	91,266,722	96,100,161	101,268,224	101,034,708
Depreciation	15,000,000	7,000,000	7,392,000	7,791,168	8,211,891
	312,866,538	361,610,231	369,276,438	392,494,793	421,101,478
CONTR. CAPITAL	9,990,295	10,166,665	197,656,644	138,508,205	11,749,262
Grand Total	322,856,833	371,776,896	566,933,082	531,002,998	432,850,740

Classification and funding source

DC37 Bojanala Platinum - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Water Management		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	180 000	120 000	-
Vote 3 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 6 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 7 - Health		-	-	-	-	-	-	-	-	-	-
Vote 8 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 10 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 11 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 12 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 13 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	180 000	120 000	-
Single-year expenditure to be appropriated	2										
Vote 1 - Water Management		-	-	-	5 105	5 105	5 105	5 105	5 855	5 381	5 672
Vote 2 - Finance and Administration		-	1 123	-	2 085	2 006	2 006	2 006	10 522	12 395	4 753
Vote 3 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	80	126	126	126	82	85	89
Vote 5 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 6 - Waste Water Management		-	-	-	2 000	2 000	2 000	2 000	-	-	-
Vote 7 - Health		-	-	-	211	211	211	211	222	235	-
Vote 8 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	9 599	126	126	126	133	-	149
Vote 10 - Sport and Recreation		-	-	-	150	150	150	150	155	-	-
Vote 11 - Executive and Council		22 782	19 031	45 426	158	158	158	158	-	166	175
Vote 12 - Public Safety		-	-	-	284	284	284	284	687	246	911
Vote 13 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		22 782	20 154	45 426	19 672	10 167	10 167	10 167	17 657	18 508	11 749
Total Capital Expenditure - Vote		22 782	20 154	45 426	19 672	10 167	10 167	10 167	197 657	138 508	11 749

Explanatory notes to Table A11 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. Municipality has budgeted an amount of R197 967 million for a single year. In relation to multi-year appropriations municipality has a multiyear budget for the municipal building that will run two years, 3. The capital programme will funded from loan from financial institutions, internally generated funds from current year surpluses and accumulated surpluses

MBRR Table A12 - Budgeted Financial Position

DC37 Bojanala Platinum - Table A6 Budgeted Financial Position

DC37 Bujaraina Platinum - Table A6 Budgeted Financial Position											
Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
R thousand											
ASSETS											
Current assets											
Cash		2 582	764	2 340	7 020	7 020	7 020	7 020	37 685	35 338	36 868
Call investment deposits	1	-	-	-	-	-	300 000	300 000	120 000	15 000	16 500
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-
Other debtors		5 215	2 306	1 436	450	450	450	450	-	-	-
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	-	-	-	-	-	-	-	-	-	-
Total current assets		7 796	3 070	3 775	7 470	7 470	307 470	307 470	157 685	50 338	53 368
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	47 486	37 055	45 425	71 974	71 974	71 974	71 974	50 073	60 790	349 327
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		6	950	1 510	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		47 492	38 005	46 935	71 974	71 974	71 974	71 974	50 073	60 790	349 327
TOTAL ASSETS		55 288	41 075	50 710	79 444	79 444	379 444	379 444	207 758	111 128	402 695
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	2 452	3 288	3 776	-	-	-	-	-	-	5 792
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	44 506	51 916	50 212	2 000	2 000	15 000	15 000	15 000	2 000	2 000
Provisions		5 964	663	583	900	900	900	900	-	-	-
Total current liabilities		52 923	55 867	54 571	2 900	2 900	15 900	15 900	15 000	2 000	7 792
Non current liabilities											
Borrowing		3 652	3 288	3 776	4 100	4 100	4 100	304 100	300 000	300 000	294 208
Provisions		26 042	7 258	8 512	3 300	3 300	3 300	3 300	12 712	14 852	16 972
Total non current liabilities		29 694	10 546	12 288	7 400	7 400	7 400	307 400	312 712	314 852	311 180
TOTAL LIABILITIES		82 617	66 413	66 859	10 300	10 300	23 300	323 300	327 712	316 852	318 972
NET ASSETS	5	(27 328)	(25 338)	(16 148)	69 144	69 144	356 144	56 144	(119 954)	(205 724)	83 723
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		(29 955)	(26 853)	(25 113)	66 518	60 179	347 179	47 179	(239 954)	(225 724)	73 723
Reserves	4	2 626	1 515	8 965	2 626	8 965	8 965	8 965	120 000	20 000	10 000
TOTAL COMMUNITY WEALTH/EQUITY	5	(27 328)	(25 338)	(16 148)	69 144	69 144	356 144	56 144	(119 954)	(205 724)	83 723

Explanatory notes to Table A13 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).

2. this format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to bet from cash, appear first.

3. Table A6 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:

- Call investments deposits;
- Property, plant and equipment;
- Trade and other payables;
- Provisions non-current;

• Changes in net assets; and

4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

16MBRR Table A14 - Budgeted Cash Flow Statement

DC37 Bojanala Platinum - Table A7 Budgeted Cash Flows

Description		Ref	2015/16	2016/17	2017/18	Current Year 2018/19				2019/20 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			-	-	-	-	-	-	-	-	-	-
Service charges			-	-	-	-	-	-	-	-	-	-
Other revenue			2 637			1 250	400	400	400	50 300	55 311	60 603
Government - operating		1	306 593	317 905	312 626	324 760	325 010	325 010	325 010	344 219	357 461	373 166
Government - capital		1	-	-	-	2 364	49 764	49 764	49 764	-	-	-
Interest			-	2 591	2 585	1 500	1 500	1 500	1 500	1 500	1 550	1 553
Dividends			-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees			(288 373)	(348 991)	(305 105)	(292 971)	(353 216)	(353 216)	(353 216)	(360 300)	(381 130)	(403 534)
Finance charges			-	-	-	-	(2 350)	(2 350)	(2 350)	(1 584)	(1 673)	(7 352)
Transfers and Grants		1	-	-	-	(1 955)	(1 808)	(1 808)	(1 808)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES			20 857	(28 495)	10 105	34 948	19 301	19 301	19 301	34 135	31 519	24 436
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			4 343			-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors			-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables			-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments			-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets			(22 782)	13 135	(12 596)	(19 672)	(10 422)	(10 422)	(10 422)	(197 957)	(138 508)	(11 749)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(18 439)	13 135	(12 596)	(19 672)	(10 422)	(10 422)	(10 422)	(197 957)	(138 508)	(11 749)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing			-	4 066	4 066	-	-	-	-	180 000	120 000	-
Increase (decrease) in consumer deposits			-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing			-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	4 066	4 066	-	-	-	-	180 000	120 000	-
NET INCREASE/ (DECREASE) IN CASH HELD			2 418	(11 293)	1 575	15 276	8 879	8 879	8 879	16 178	13 011	12 687
Cash/cash equivalents at the year begin:		2	164	12 058	764	2 340	2 340	2 340	2 340	2 340	18 518	31 528
Cash/cash equivalents at the year end:		2	2 582	764	2 340	17 615	11 218	11 218	11 218	18 518	31 528	44 215

The budgeted cash flow statement is the first measurement in determining if the budget is funded.

2. It shows the expected level of cash-in flows versus cash-outflow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the District will increase from R11 million in 2018/19 to R18.5 million in 2019/20 period and R31.5 in 2020/21 and 44.2 million in 2021/2022 financial years.
4. The approved 2019/20 MTREF provide for a further net increase in cash of R18.5 million for the 2020/21 financial year resulting in an overall projected positive cash position.

Explanatory notes to Table A16 - Cash Backed Reserves/Accumulated Surplus

Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2018/19 to 2019/22 the surplus stabilises to R26 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2019/20 MTREF is funded.
7. as part of the budgeting and planning guidelines that informed the compilation of the 2019/20 MTREF the end objective of the medium-term framework was to ensure the budget is funded

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 4 - 8 per cent of PPE. The District does not meet both these recommendations.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the MMC for Finance, MMC for Technical Services, Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Executive Mayor.

The primary aims of the Budget Steering Committee are to ensure:

- That the process followed to compile the budget complies with legislation and good budget practices;
- That there is proper alignment between the policy and service delivery priorities set out in the District's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- That the municipality's revenue strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

ACTIVITIES	MONTH
Review and finalisation of the IDP/Budget process plan with the guidance of the Municipal Finance Management Act and Municipal Systems Act. Consultation on the 4th Generation IDP Framework and IDP/Budget process plan with all stakeholders. Tabling of the IDP/Budget process plan as well as framework to Council. IDP/Budget process plan made public.	Aug 2019
Presentation of the IDP Framework and Process Plan to the 1st IDP Representative Forum (decentralised Approach to include ward Committee Representatives at LM level) IDP Context and Process Community Needs analysis and prioritisation and by local municipalities. Consolidation & Presentation of community needs/issues to the IDP Managers Forum	04 October 2018

Presentation of the status quo to the 2nd District IDP Representative Forum. (decentralised Approach to include ward Committee Representatives at LM level)	04 Dec 2019
Mid Term Performance and Budget Review Review/development of strategic priorities review of municipal vision and mission. Determination of strategic objectives for service delivery and development for next three year budget including review of provincial and national sector and strategic plans.	08 February 2019
Tabling of Annual Report to Council. Oversight Committee appointed by Council to consider annual report. Consultations on Annual Report Review/identification of the projects in line with reviewed municipal objectives and priorities. IDP Forum Meetings to consider the preliminary drafts of the IDPs and budgets of all municipalities. Presentation of municipal priorities and proposed projects to sector departments. Presentation of BPDM of programmes/projects by Sector Departments	08 February 2019
Consolidation and confirmation of final programmes & projects from internal & external departments Finalise draft IDP/Budget for the next three financial years.	Jan-Feb 2020
<i>Submission of the draft budget, IDP and plans for the next three years to management, Executive Mayor, Portfolio committees , Mayoral Committee.</i>	<i>Feb 2020</i>
Issue notice of Council meeting to consider proposed IDP/Budget. Tabling of Draft IDP/Budget & Annual Report to Council Adoption of oversight report to Council The tabled documents are sent to prescribe organs of state.	Mar 2019
3rd District IDP/Budget Representatives Forum (decentralised Approach to include ward Committee Representatives at LM level)	
Community participation and stakeholders' consultations on the draft IDP/Budget. Public comments and comments from other organs of state are taken into consideration and where necessary, amendments are made to the IDP and Budget. Political inputs on the final drafts	April – May 2020

4th District IDP/Budget Representatives Forum	14 May 2019
Broad Service Delivery Summit format in line with the IGRF Act	
Tabling of IDP/Budget for final approval to Council. Copies of the approved IDP/Budget are sent to prescribed organs of state. Copies of the approved IDP/Budget are made public.	30 May 2019
<i>Drafting and approval of Service Delivery Budget Implementation Plan (SDBIP)</i> Approved Top Layer SDBIP is made public. Service Delivery and Budget Implementation Plan Performance agreements are submitted to the Executive Mayor	16 June 2019

2.1.2 IDP and Service Delivery and Budget Implementation Plan

Council is going to adopt a new IDP for 2019/20 to 2021/22. The IDP will be submitted to Council for approval on the 30 May 2019.

The District's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2019/20 MTREF, based on the approved 2018/19 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2019/20 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2019/20 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

Financial Modelling and Key Planning Drivers

As part of the compilation of the 2019/20 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2019/20 MTREF:

- District growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends
- Performance trends
- The approved 2018/19 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 54, 55, 58, 66, 67, 70, 72, 74, 75, 78, 85, 86 & 89,90,93 and 94 has been taken into consideration in the planning

Community Consultation

The 2019/20 MTREF as tabled before Council on 30 May 2019 for community consultation will be published on the municipality's website.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Local Municipalities were utilised to facilitate the community consultation process from January to April 2019, Individual sessions were scheduled with organised business and Imbizo's were held to further ensure transparency and interaction. Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will be addressed, and where relevant considered as part of the finalisation of the 2019/20 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction

to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery. Integrated developmental planning in the South African context is amongst others, an approach

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Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the District, issues of national and provincial importance should be reflected in the IDP of the municipality.

A clear understanding of such intent is therefore imperative to ensure that the District strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the District's response to these requirements. to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

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The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP);
- The National Priority Outcomes and
- The National Development Plan.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

The following table highlights the IDP's six strategic objectives for the 2019/20 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

- Local Economic Development
 - Infrastructure Development and Service Delivery
 - Institutional Development and Municipal Transformation
 - Good Governance and Public Participation
 - Build more united, non-racial, integrated and safer communities;
 - Financial Viability
 - Ensure more effective, accountable and clean Local Government that works together with National and Provincial Spheres of Government. In order to ensure integrated and focused service delivery between all spheres of government it was important for the District to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.
- Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities.

The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
2. Provide electricity;
3. Provide water;
4. Provide sanitation;
5. Provide waste removal;
6. Provide housing;
7. Provide roads and storm water Provide public transport;
8. Provide district planning services; and
9. Maintaining the infrastructure of the District.

Economic growth and development that leads to sustainable job creation by:

- Ensuring there is a clear structural plan for the District;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
1. Fight poverty and build clean, healthy, safe and sustainable communities: Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
 - Implementing initiatives to reduce the effect of climate change.
 2. Integrated Social Services for empowered and sustainable communities
Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly coordinated with the informal settlements upgrade programme
 3. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
 - Ensure financial sustainability through:

Reviewing the use of contracted services

Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

- Optimal institutional transformation to ensure capacity to achieve set objectives
- Review of the organizational structure to optimize the use of personnel;
- In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the District. The five-year programme responds to the development challenges and opportunities faced by the District by identifying the key performance areas to achieve the five the strategic objectives mentioned above. Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the IDP, including:
 - Strengthening the analysis and strategic planning processes of the District;

- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

1. Overview of the annual budget process

Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1.1 Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the first intake in 2010 five were employed permanently, and we have appointed another six in 2012 and appointed two and one has been appointed another institution. The municipality have appointed another 5 on the 31 August 2014, and one has been appointed permanent, and National Treasury have renewed contract of the remaining. The municipality has appointed 6 more interns in Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

1.2 Audit Committee

An Audit Committee has been established and is fully functional assisting our two local Kgetleng and Moses Kotane.

1.2.1 Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2019/20 MTREF in May 2019 directly aligned and informed by the 2019/20 MTREF.

2. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.1 MFMA Training

The MFMA training module in electronic format is available to all financial staff.

2.2.1 Policies

All financial related policies are reviewed on an annual bases or whenever the need arises and submitted with the budget for adoption by council.

1.12 Municipal manager's quality certificate

I **Pogiso Patric Shikwane**, Municipal Manager of Bojanala Platinum District Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual draft budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Bojanala Platinum District Municipality (DC37)


MR. P SHIKWANE
MUNICIPAL MANAGER
BPDM

Date

13 June 2019